

DAL LAKE IN SRINAGAR, JAMMU AND KASHMIR

JAMMU & KASHMIR

PARADISE ON EARTH

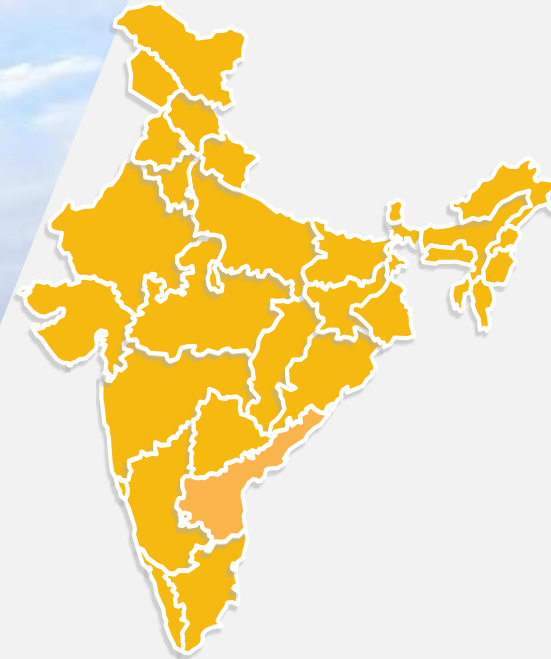
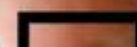
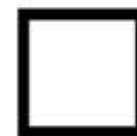


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EXECUTIVE SUMMARY

Strong tourism sector

- Jammu & Kashmir (J&K) is a global tourist destination. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual & health tourism.
- Overall tourist arrival in the state of Jammu Kashmir in 2017(P) stood at 14.32 million.

Leader in agro-based industry

- A vast natural resource base has enabled J&K to develop land for cultivating major fruits. The state's share in the overall apple production in India was 76.25 per cent in 2017-18(P), with the overall production of apples in the state reaching around 1.74 million MT.

Strong horticulture sector

- With varied agro-climatic conditions, the scope for horticulture is significantly high in the state. There is considerable scope for increasing the horticulture produce, which is exported.
- Department of Floriculture of the state has submitted a policy for floriculture development to the state government. The policy will aim at promoting investments and fiscal incentives.

Vibrant floriculture sector

- J&K has an ideal climate for floriculture and an enormous assortment of flora and fauna.
- The state has Asia's largest tulip garden.
- The state recorded production of 31.45 thousand metric tonnes of flowers during 2018-19* of which 27 thousand metric tonnes were loose flowers and 4.45 thousand metric tonnes were cut flowers.

Lowest power tariffs

- The average rate of electricity for industrial consumers in J&K ranges from US\$ 0.05–0.086, while that for commercial consumers ranges from US\$ 0.05–0.06; these rates are relatively lower than those in most other Indian states.

World famous handicrafts industry

- Over the years, silk industry of the state witnessed huge growth. Production of raw silk in the state for 2017-18(P) stood at 132 MT and 118 MT for FY18-19P.

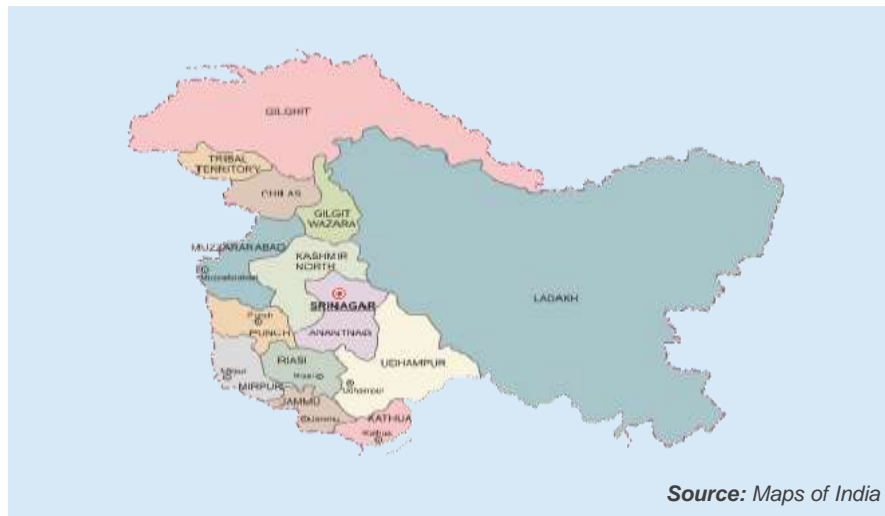
Note: P – Provision, * - 3rd Advance Estimates

Source: Ministry of Tourism, Ministry of Agriculture

INTRODUCTION



JAMMU & KASHMIR FACT FILE



- Jammu & Kashmir is the northernmost state of India. The state shares borders with Himachal Pradesh and Punjab, and the neighbouring countries of Pakistan, China and Afghanistan. J&K consists of three regions: Jammu, the Kashmir Valley and Ladakh. The important cities and towns are: Jammu, Srinagar, Gulmarg, Pahalgam, Leh and Udhampur.
- The climate of J&K varies considerably with its topography. The climate is primarily temperate. Jammu is known as the winter capital of the state while Srinagar is known as the summer capital.

- Urdu, Kashmiri and Dogri are J&K's official languages; Hindi, Pahari and Ladakhi are also spoken in some parts of the state.
- Important rivers flowing through J&K include the Indus, the Chenab, the Jhelum, the Tawi and the Ravi.

Parameters	Jammu & Kashmir
Capital cities	Summer capital – Srinagar Winter capital – Jammu
Geographical area (sq km)	222,236
Administrative districts (No)	22
Population density (persons per sq km)	124
Total population (million)	12.5
Male population (million)	6.6
Female population (million)	5.9
Sex ratio (females per 1,000 males)	889
Literacy rate (%)	67.16

Source: Planning & Development Department, Government of Jammu & Kashmir, Census 2011

Paradise on earth

- J&K is naturally pollution free and provides a salubrious environment.
- The natural beauty & picturesque locations have made it a favoured destination for tourists. Jammu is famous for its temples, while the Kashmir Valley is known for its lakes & gardens.

Policy incentives

- J&K has an industrial policy that offers attractive incentives along with a single-window clearance mechanism.
- Land is allotted at concessional rates in industrial areas on lease for 90 years.
- The cost of setting up operations is comparatively lower than other states.

Advantage J&K

Rich labour pool

- J&K's inhabitants are skilled weavers & designers of textile products. This provides a basis for setting up more textile units.
- The traditional skills of the people in craftsmanship can be utilised to meet the demands of industrial processes.

Horticulture and floriculture

- J&K has agro-climatic conditions best suited for horticulture & floriculture. Horticulture is the mainstay of the rural economy, providing employment to thousands.
- The floriculture industry supplies flowers to domestic & international markets.

JAMMU AND KASHMIR IN FIGURES

Jammu & Kashmir's Contribution to Indian Economy (2017-18)

Parameter	Jammu & Kashmir	India
GSDP as a percentage of all states' GSDP	0.84	100.00
GSDP growth rate (%)	11.71	9.80
Per capita GSDP (US\$)	1,577.86	1,966.20

Social Indicators

Parameter	Jammu & Kashmir	India
Literacy rate (%)	68.7	73.0
Birth rate (per 1,000 population)	15.7	20.4

Industrial Infrastructure

Parameter	Jammu & Kashmir	India
PPP projects under construction	9	1824

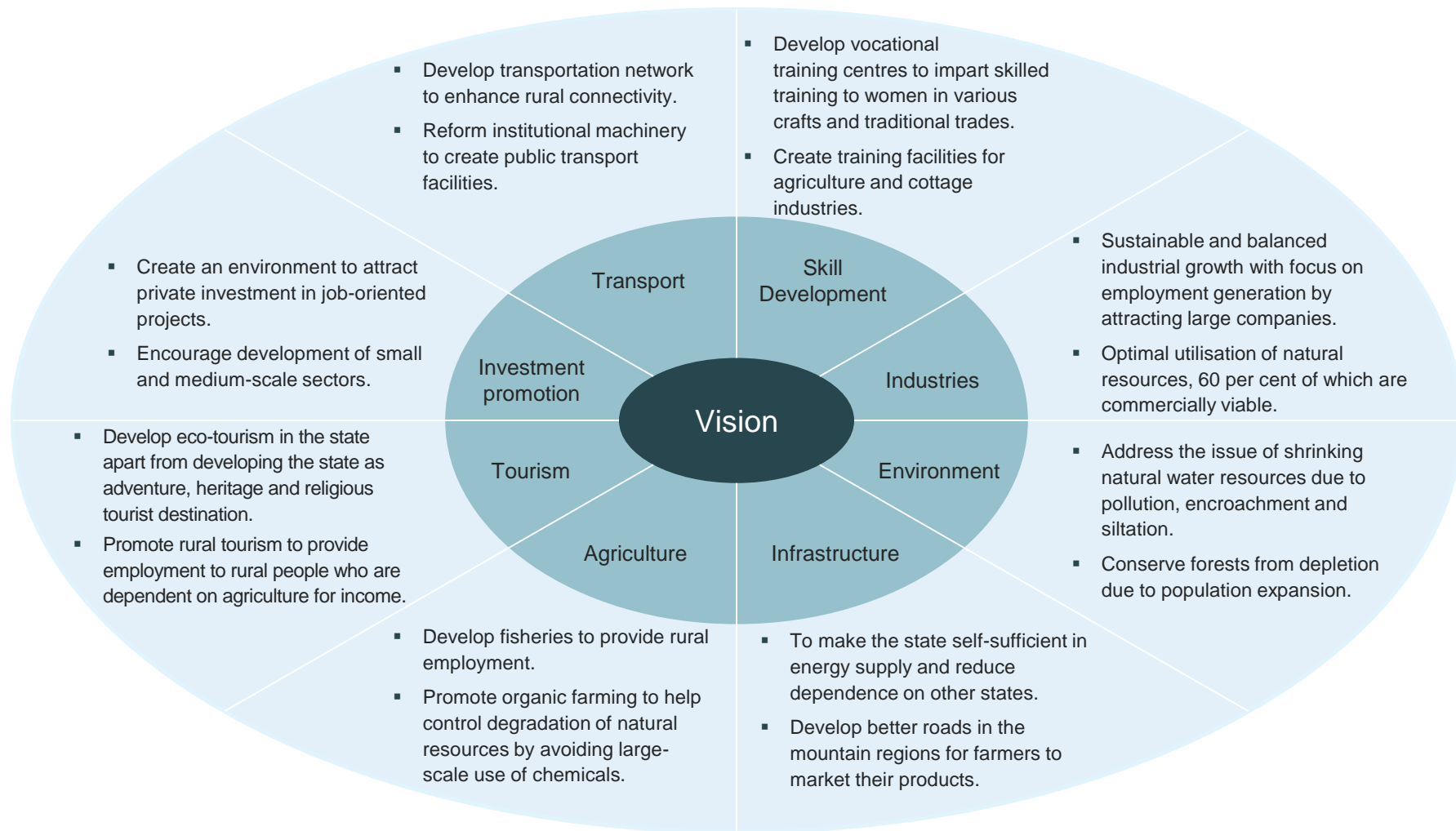
Physical Infrastructure in Jammu & Kashmir

Parameter	Jammu & Kashmir	India
Installed power capacity (MW) as of November 2019	3,434.81	365,980.54
Wireless subscribers (million) as of September 2019	11.33	1173.75
Internet subscribers (Mn) as of June 2019	6.95	665.31
National highway length (km) (As of March 2019)	2,423	132,499
Airports (No)	3	129

Investments (as of June 2019)

Parameter	Jammu & Kashmir	India
Cumulative FDI equity inflows since April 2000 (US\$ million)	6	436.471

Note: GSDP, per capita GSDP figures are at current prices, exchange rates used is average of 2017-18 i.e. 64.45, For source refer to Annexure

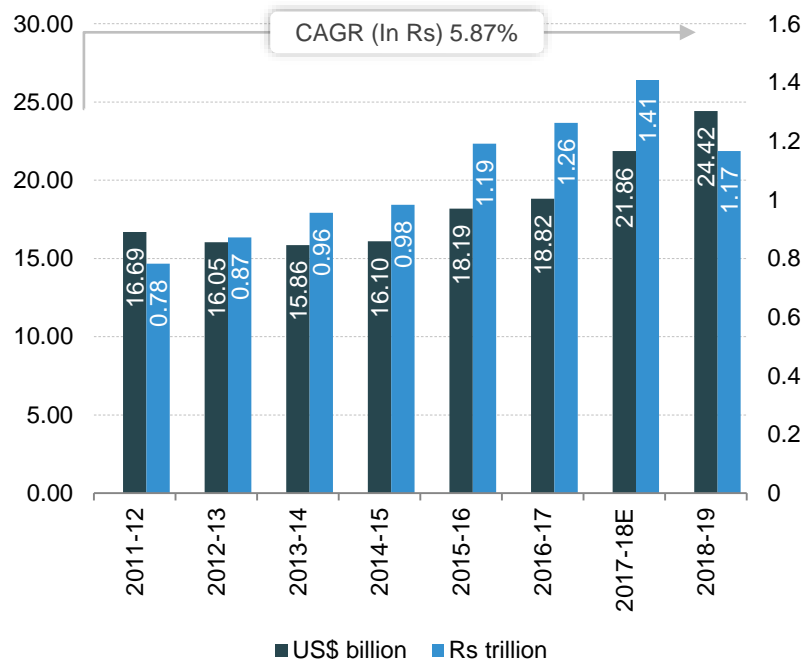


Source: Government of Jammu & Kashmir

ECONOMIC SNAPSHOT

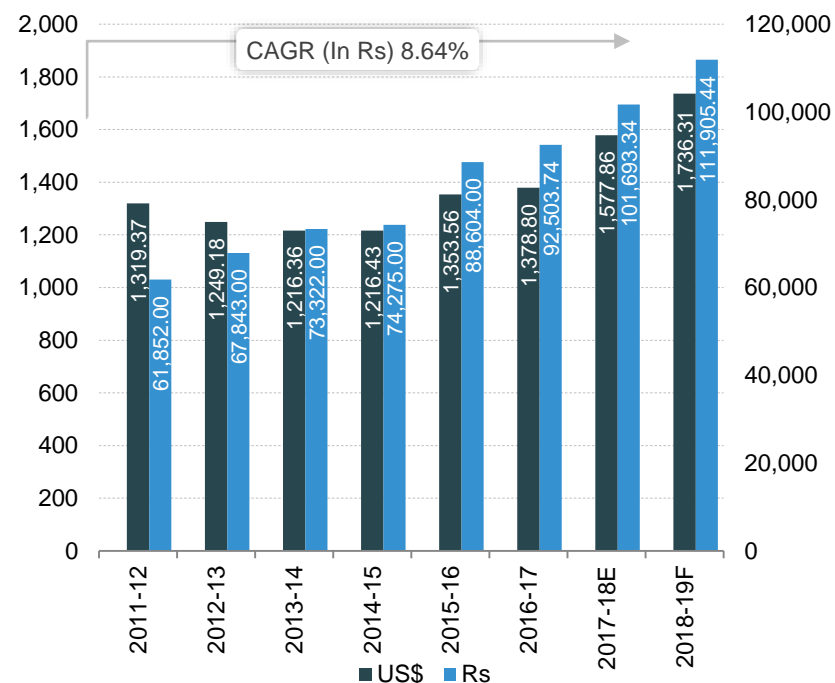


GSDP of J&K at current prices



- At current prices, GSDP of J&K has been estimated at Rs 1.41 trillion (US\$ 21.86 billion) in 2017-18.
- The state's GSDP grew at a CAGR of 10.30 per cent, during 2011-12 to 2017-18. The GSDP is expected to grow at 11.71 per cent (in Rs) by 2018-19 to reach Rs 1.17 trillion (US\$ 24.42 billion).

Per capita GSDP

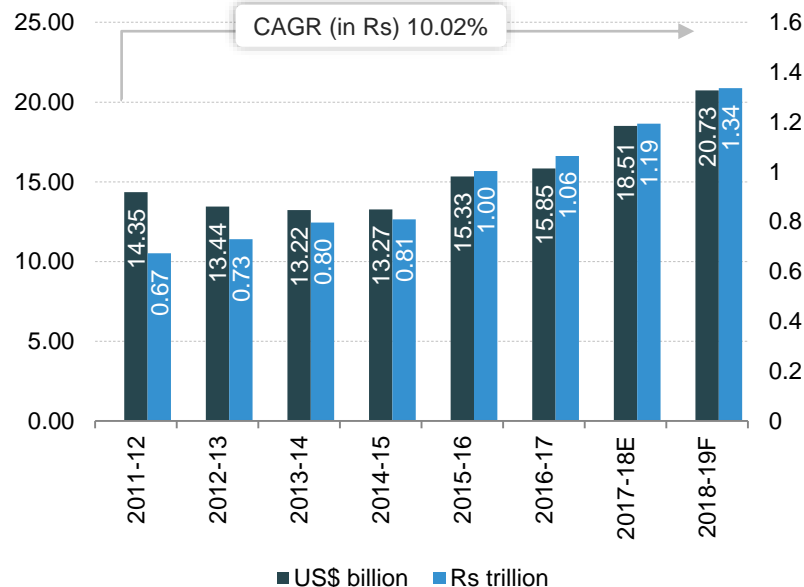


- J&K's per capita GSDP[^] in 2017-18 is estimated at around Rs 1577.86 (US\$ 1,319.4).
- The per capita GSDP increased at an average rate of 8.64 per cent between 2011-12 and 2017-18. The per capita GSDP is expected to reach Rs 111,905 (US\$ 1,736.31) in 2018-19.

Note: E – Estimate, F – Forecast, Per Capita GSDP[^] - calculated using GSDP million US\$/Population in million, data is expected to be updated from J&K's Economic Survey 2019

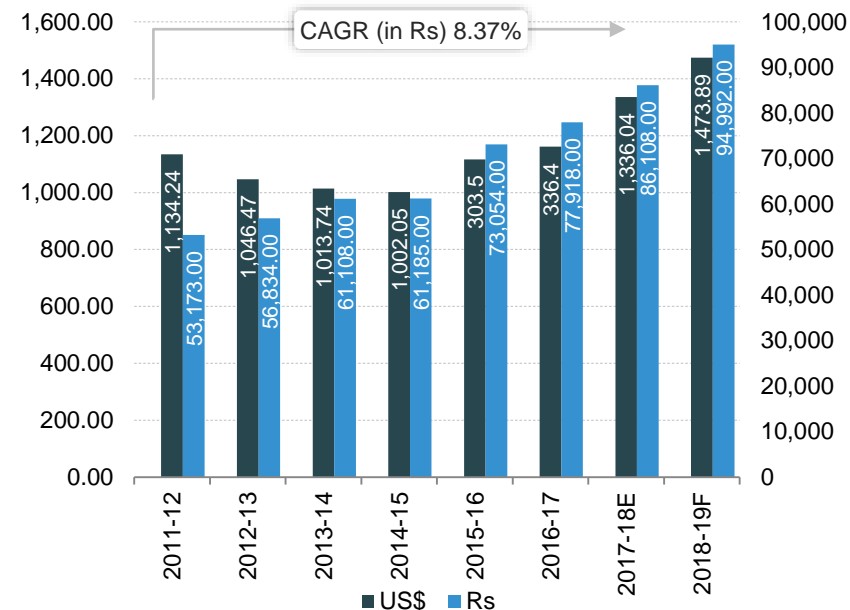
Source: Economic Survey 2017, Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office, J & K Economic Survey 2017

NSDP of J&K at current prices



- In 2017-18, J&K's NSDP is estimated at around Rs 1.19 trillion (US\$ 18.51 billion).
- The state's NSDP increased at a CAGR (in Rs) of 10.02 per cent from 2011-12 to 2017-18. The state's NSDP is expected to reach Rs 1.34 trillion (US\$ 20.73 billion) in 2018-19.

Per capita NSDP



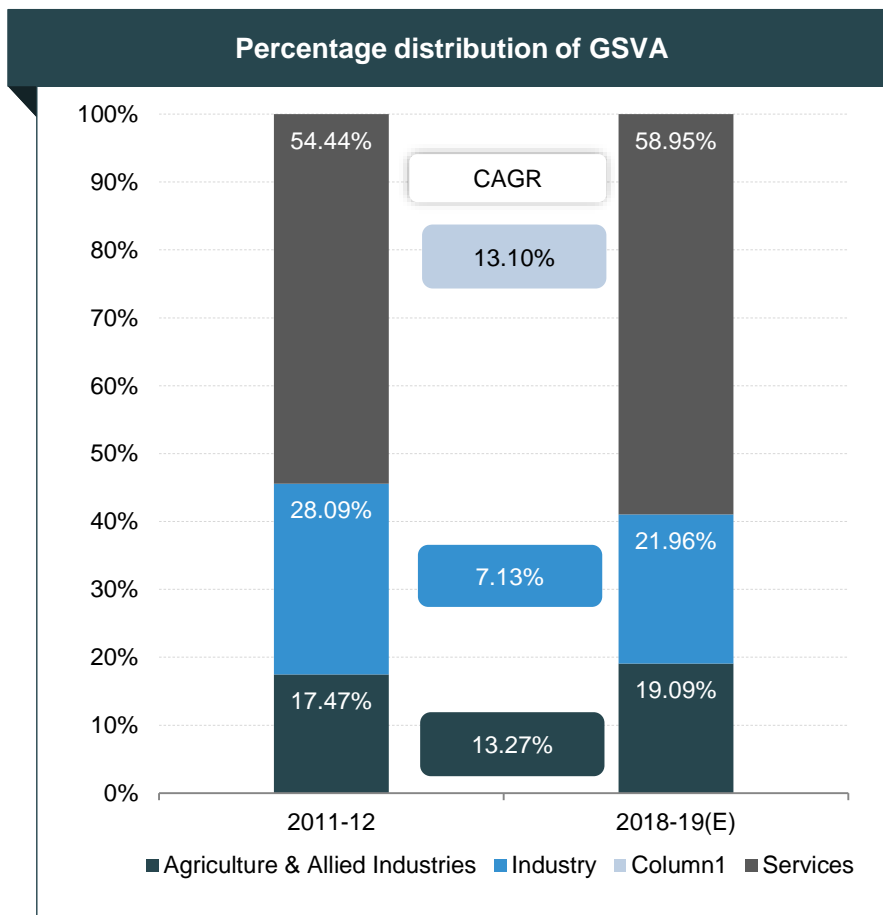
- J&K's per capita NSDP[^] in 2017-18 was estimated at Rs 86,108.00 (US\$ 1,336.04).
- The per capita NSDP of J&K increased at a CAGR (in Rs) of 8.37 per cent between 2011-12 and 2017-18. The per capita NSDP for 2017-18 is forecasted to grow 10.32 per cent in 2018-19 to reach Rs 94,992 (US\$ 1,473.89).

Note: E – Estimate, F – Forecast, Per Capita NSDP[^] - calculated using NSDP million US\$/Population in million, data is expected to be updated from J&K's Economic Survey 2019

Source: Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office, J & K Economic Survey 2017

ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSVA

- At current prices, the services sector contributed 58.95 per cent to J&K's GSVA in 2018-19(E), followed by the industry 21.96 per cent and agriculture and allied industries 19.09 per cent sectors.
- Agriculture and allied sectors witnessed fastest growth among the three sectors, during 2011-12 to 2018-19(E), witnessing growth at a CAGR of 13.27 per cent.
- Industry sector expanded at a CAGR of 7.13 per cent from 2011-12 to 2018-19(E), driven by manufacturing, construction, electricity, gas and water supply.
- Services sector increased at a CAGR of 13.10 per cent between 2011-12 and 2018-19(E).



Note: A – Advance Estimates

Source: Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office, J & K Economic Survey 2017

- According to the DIPP, cumulative FDI inflows, during April 2000 to June 2019, were valued at US\$ 6 million.
- The electricity and services sectors are the major contributors in the economic growth of the state.
- Moreover, due to the state being mineral rich, there exist numerous business opportunities in various sectors - mainly, agriculture, handloom, handicrafts, etc.
- In March 2018, the Cabinet approved Rs 2,000 crore (US\$ 310.32 million) package for refugees from Pakistan-occupied Kashmir(PoK). The financial aid will be provided to 36,384 families, who are mostly living in Jammu region, after their displacement from PoK post-independence.
- In 2018, five investments of Rs 162 crore (US\$ 23.18 million) were proposed and Rs 346 crore (US\$ 49.51 million) proposed up to October 2019 in the state.

Investment Intentions under Industrial Entrepreneurs Memorandum (IEM)

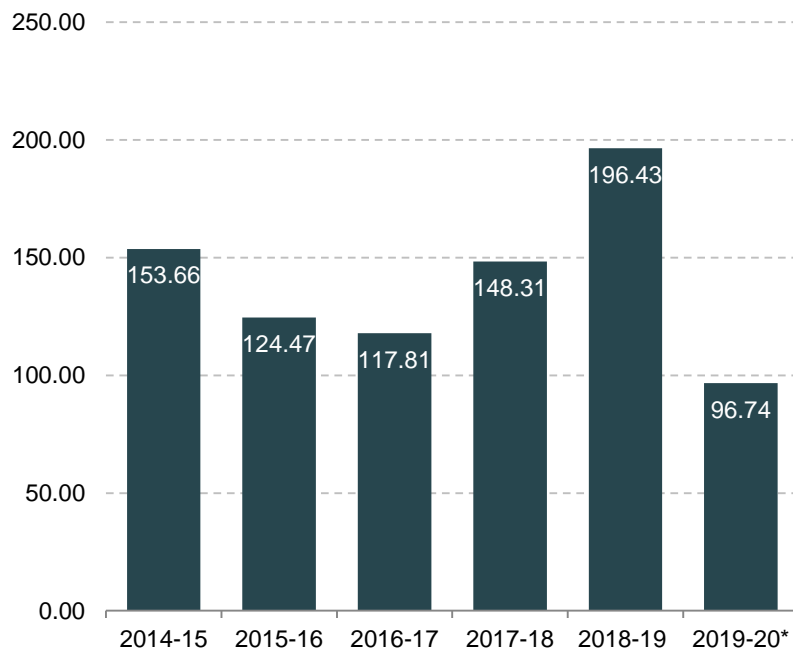
Year^	Number of Investments	Amount (US\$ million)
2013	11	67.12
2014	12	44.30
2015	11	98.90
2016	8	146.03
2017	7	150.36
2018	5	23.18
2019 (up to October 19)	10	49.51

Note: ^ - Calendar Year,

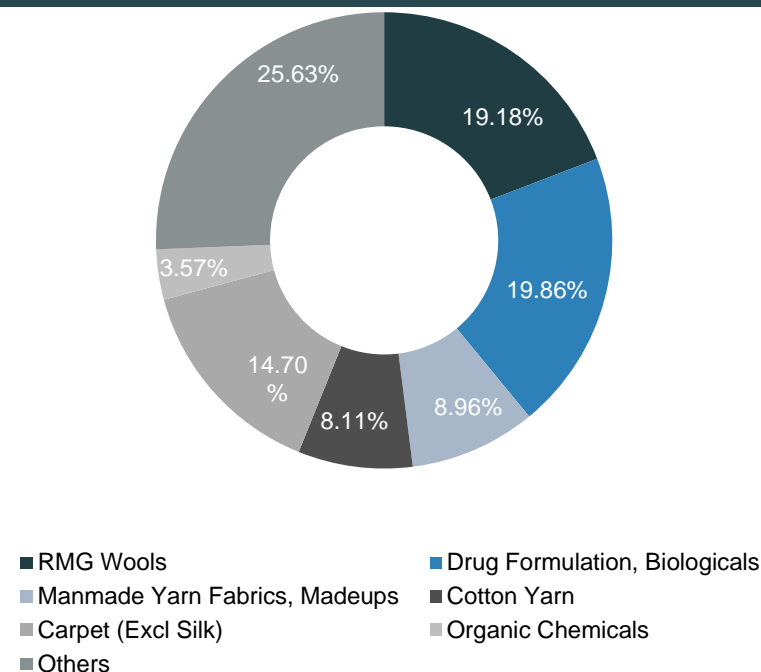
Source: DPIIT: Department for Promotion of Industry and Internal Trade.

ECONOMIC SNAPSHOT – JAMMU AND KASHMIR'S EXPORT TRENDS

Export Trend (US\$ million)



Composition of Major Item Exported from Jammu and Kashmir 2019-20*



- Total exports from Jammu and Kashmir stood at US\$ 196.43 million during 2018-19. During 2019-20 (up to September 19), exports from the state stood at US\$ 96.74 million.
- Major items exported from the state of Jammu and Kashmir are RMG wool, drug formulation and biological, man made yarn and fabrics, etc.
- During FY20*, RMG Wools from Jammu and Kashmir stood at US\$ 18.55 million which was 19.18 per cent of the total exports.

Note: *- till September 2019

Source: Directorate General of Commercial Intelligence and Statistics

PHYSICAL INFRASTRUCTURE



- Jammu and Kashmir State Road Transport Corporation (JKSRTC) provides public transportation in the state. As per J&K economic survey 2017-18 the state had a total road length of 35,289 km of which national highways constituted 2,423 km.
- As of March 2019, there are 2,497 eligible unconnected habitations under PMGSY in the state. Out of the total eligible habitations, 2,214 have been cleared and 1,754 have been connected.
- Asia's longest 'Chenani-Nashri Highway Tunnel' is on Jammu-Srinagar Highway. Five other tunnels are being developed in the state at a cost of US\$ 3.42 billion by National Highway Infrastructure Development Corporation (NHIDCL). The tunnels will have all weather access, and will be completed by 2024.
- The Border Roads Organisation (BRO) is going to take up upgradation of Jammu-Poonch highway into a four-lane expressway. The Detailed Project Report of the project has been submitted to Ministry of Road, Transport and Highways and it is expected that the work will begin in 2019.
- Under the State Budget 2019-20, government has allocated Rs 100 crore (US\$ 14.30 million) for the land acquisition of PMGSY roads.
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Road Type	Road length (km) As of November 2019
National highways	2,423
Total road length (As of 1 st April 2017)	35,289



Source: Maps of India

Source: Ministry of Road Transport & Highways, NHAI - National Highways Authority of India, JKSRTC - Jammu & Kashmir State Road Transport Corporation, Economic Survey 2017-18



Source: Maps of India

- Due to its predominantly mountainous terrain, J&K is linked with the country's rail network up to the Udhampur district.
- The Government of India is planning to develop a 345 km long railway line for joining the Kashmir valley and Indian Railways network, so as to provide an alternate and reliable transportation system to the people of J&K state.

- Work on connecting Srinagar and Baramullah is underway. The Katra–Qazigund (129 km) and Qazigund–Baramullah (119 km) rail links have been taken up for construction as national priority projects. The work on the Udhampur–Katra (25 km) section of the rail link has been completed.
- In May 2017, the government hired Konkan Railways to construct the world's tallest railway bridge over the river Chenab. The 1.315 km-long track is being built at a height of 359 metre, and will cost around US\$ 1.78 billion. The project is expected to be completed by May 2019.

Udhampur to Baramulla Railway Line

Item	Udhampur-Katra	Katra-Qazigund	Qazigund-Baramulla
Route length (km)	25	129	119
Bridges	38	62	811
Tunnels Length (km)	10.90	103.00	0
Longest tunnel (km)	3.15	10.96	-
Stations	3	11	15

Note: Data is expected to be updated from J&K's Economic Survey FY19

Source: Economic Survey of J&K, 2017-18

PHYSICAL INFRASTRUCTURE – AIRPORTS

Number of passengers (nos.)

Airports	2015-16	2016-17	2017-18	2018-19	2019-20*
Srinagar	2,310,829	2,101,762	2,440,467	2,503,821	18,23,624
Jammu	1,117,252	1,159,937	1,443,965	1,213,258	8,55,145
Leh	408,541	563,800	692,010	776,174	5,60,015

Freight (Tonnes)

Airports	2015-16	2016-17	2017-18	2018-19*	2019-20*
Srinagar	5,396	4,882	7,226	7,306	5,068
Jammu	1,685	2,242	1,813	1,814	871
Leh	1,442	1,665	1,622	1,525	1,199

Aircraft movement (nos.)

Airports	2015-16	2016-17	2017-18	2018-19	2019-20*
Srinagar	16,268	15,543	17,918	18,746	12,884
Jammu	10,766	10,852	14,378	14,033	8,517
Leh	3,434	4,904	5,982	6,594	4,348

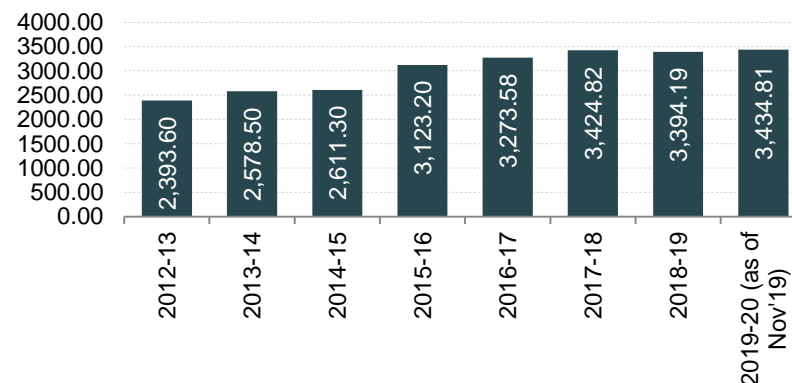
- The air travel in the state connects all the three regions of the state which include: Srinagar, Jammu and Leh. The Sheik-ul-Alam Airport at Srinagar is a major international airport. Jammu and Leh are the domestic airports in the state. The state also has an airport in Kargil, which is served by Djkota service.
- The domestic airlines and destinations connecting the Srinagar airport include GoAir (Goa, Pune, Delhi, Jammu, Mumbai, Patna, Chandigarh, Bengaluru), Air India (Delhi, Jammu, Leh), JetKonnnect (Delhi, Bengaluru, Leh) and SpiceJet (Mumbai, Bengaluru, Delhi, Jammu).
- In 2019-20*, the total number of passengers recorded in Srinagar, Jammu and Leh were 18,23,624, 8,55,145 and 5,60,015, respectively. The total number of aircraft movements for the same time period recorded in Srinagar, Jammu and Leh were 12,884, 8,517 and 4,348, respectively.
- In 2019-20*, the total freight recorded in Srinagar, Jammu and Leh amounted to 5,068 tonnes, 871 tonnes, and 1,199 tonnes, respectively.

Note: *- till October 2019

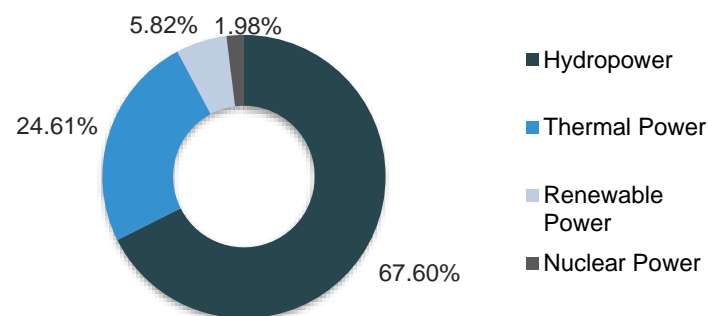
Source: Airport Authority of India

- State-owned power is generated by the JKSPDCL. PDD is responsible for all functions related to transmission and distribution of power in the state. Industrial units are allowed to install their captive-power generation plants, which are exempted from paying electricity duty.
- The identified hydro power potential for the state is 16,475 MW out of the estimated 20,000 MW. The Chenab basin comprises of 11,283 MW, Jhelum basin consists of 3,084 MW, Ravi basin comprises of 500 MW and the Indus basin accounts for 1,608 MW.
- Energy requirement in the state during April-October 2019 has reached 11,219 MU. As of November 2019, J&K had a total installed power generation capacity of 3,434.81 MW, comprising 1,830.05 MW under central utilities, 1,535.03 MW under state utilities and 69.28 MW under private utilities.
- Of the total installed power generation capacity, 2,321.88 MW was contributed by hydropower, 845.19 MW by thermal power, 199.76 MW by renewable power and 68.31 MW by nuclear power.
- Jammu and Kashmir has a target of achieving of 1,155 MW solar power energy by 2022.

Installed power capacity (MW)



**Break-up of installed capacity by source of power generation
As of November 2019**



Note: GWH – Giga Watt Hours, JKSPDCL - Jammu & Kashmir State Power Development, Corporation Limited, PDD - Power Development Department,

Source: Central Electricity Authority

- There are five secondary switching areas in the area: Jammu, Srinagar, Udhampur, Rajouri and Leh. BSNL is one of the major service providers of basic telephony and value added services in J&K telecom circle.
- According to the Telecom Regulatory Authority of India, J&K had around 11.33 million wireless subscribers and 117,510 wire-line subscribers with a tele density of 89.19 per cent, as of September 2019. As of June 2019, the state of J&K had 6.95 million internet subscribers.
- By the end of September 2019, 1.12 million subscribers had submitted requests for mobile number portability in Jammu & Kashmir.

Telecom infrastructure (as of September 2019)

Wireless subscribers	11,336,814
Wire-line subscribers	117,510
Teledensity (in%)	89.19
Internet subscribers (As of June'19) (million)	6.95

Performance status Bharat Net Project

Service Ready GPs (November 19)	322
Pipe Laid (Km) (July 2017)	427
OFC Laid (Km) (December 02, 2018)	665
No. of GPs where OFC laid (December 02, 2018)	278

Major telecom operators in Jammu & Kashmir

- Bharat Sanchar Nigam Limited (BSNL)
- Bharti Airtel
- Vodafone Idea
- Reliance Jio

Note: *GP-Gram Panchayat, OFC – Optical Fibre Cable,

Source: Telecom Regulatory Authority of India, India Post, Ministry of Communications and Information Technology

- Among the hilly states of India, J&K is the most urbanised state, with 81 notified urban areas and 86 statutory towns. As per Census 2011, the total urban population in the state was 27.37 per cent. The district of Srinagar ranked first with the highest urban population of 98.6 per cent, followed by Jammu district having 50 per cent of urban population. Hence, Srinagar and Jammu cities are the focal points of urbanisation in the state. As of June 2018, 5,165 households have been electrified under Saubhagya Scheme in the state.
- As of January 2019, Jammu & Kashmir has been allocated Rs 593.05 crore (US\$ 82.17 million) under AMRUT (Atal Mission for Rejuvenation and Urban Transformation) scheme.
- As per State Budget 2018-19, Government of Jammu & Kashmir allocated Rs 200 crore (US\$ 30.89 million) under NABARD for taking up major Water Supply Schemes.
- A project namely Augmentation of Water Supply to Jammu City from River Chenab costing, Rs 886 crore (US\$ 126.7 million) stands formulated for providing additional drinking water of 240 MLD to Jammu City which has been submitted to Ministry of Urban Development.
- Also, as per State Budget 2018-19, there are 1,069 ongoing water supply scheme under National Rural Development Program (NRDP) which are at various stages of execution. The government allocated Rs 50 crore (US\$ 7.72 million) for expediting completion of the schemes.

Component	Approved cost sanctioned by SLSC (in US\$ million)
Water supply	11.69
Road	12.7
Solid waste management	1.82
Sewerage	9.85

Note: Conversion rate: US\$ = Rs 64.45

Source: JNNURM, Ministry of Urban Development, Government of India, Economic Survey of J&K, 2014-15, News articles

SOCIAL INFRASTRUCTURE



- Education is one of top priorities of the state government. Jammu district has 960 primary schools, 300 middle schools, 108 high schools and 62 higher secondary schools.
- J&K is the only state where education is free up to the university level. Seasonal schools have been opened for people in the hilly areas and underprivileged population.
- J&K has a literacy rate of 67.16 per cent, the male literacy rate is 78.26 per cent and female literacy rate is 58.01 per cent.
- In State Budget 2018-19, the state government allocated US\$ 1,017.44 million as revenue expenditure for education sector.
- As per the State Budget 2019-20, government has allocated Rs 2,411 crore (US\$ 344.97 million) under Sarva Shiksha Abhiyan which is 11 per cent higher than the revised estimates for the scheme for 2017-18.

Literacy rates (Census 2011)

Literacy rate (%)	67.16
Male literacy (%)	78.26
Female literacy (%)	58.01

Premier institutions in J&K

- National Institute of Technology
- University of Jammu
- University of Kashmir
- Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu
- Sher-e-Kashmir University of Agricultural Sciences and Technology of Kashmir
- Shri Mata Vaishno Devi University
- Islamic University of Science & Technology
- Baba Ghulam Shah Badshah University

Source: Economic Survey of Jammu & Kashmir 2014-15, 2017-18

- As of December 2019, J&K had 31 District Hospitals, 749 Primary Health Centres, 2,868 Sub-Centres and 135 Community Health Centres.
- Under National Rural Health Mission (NRHM), Rs 485.82 crore (Rs 75.38 million) has been allocated for the state out of which Rs 373.26 (US\$ 57.91 million) has been released for 2017-18.
- In the State Budget 2018-19, an allocation of US\$ 545.10 million was made for health and medical education.
- Under the State Budget 2019-20, Rs 503 crore (US\$ 71.97 million) is allocated towards the National Health Mission.
- As per Economic Survey 2017-18, the state government is implementing various healthcare schemes. Some of which are listed below

Health Indicators (2016)

Birth rate*	15.7
Death rate*	5.0
Infant mortality rate^	24

Life expectancy at birth (years)

Male (2010-14)	70.9
Female (2010-14)	74.9

Health infrastructure (as of December 2019)

District Hospitals	31
Primary Health Centres	749
Sub-Centres	2,868
Community Health Centres	135

Schemes as per Economic Survey 2017-18

Scheme	Objective
ICDS	Focuses on nutritional status of children (6 months -6 year) and pregnant & lactating women enrolled in anganwadi centres across the state.
Sabla and KSY	Provide supplementary nutrition to school adolescent girls in the age group of 11-18 years
MBP (PMMVY)	Provide financial assistance to pregnant and lactating women ensuring their delivery conditions and regular check-up of mother and the child.
Ladli Beti	To improve the skewed child-sex ratio.

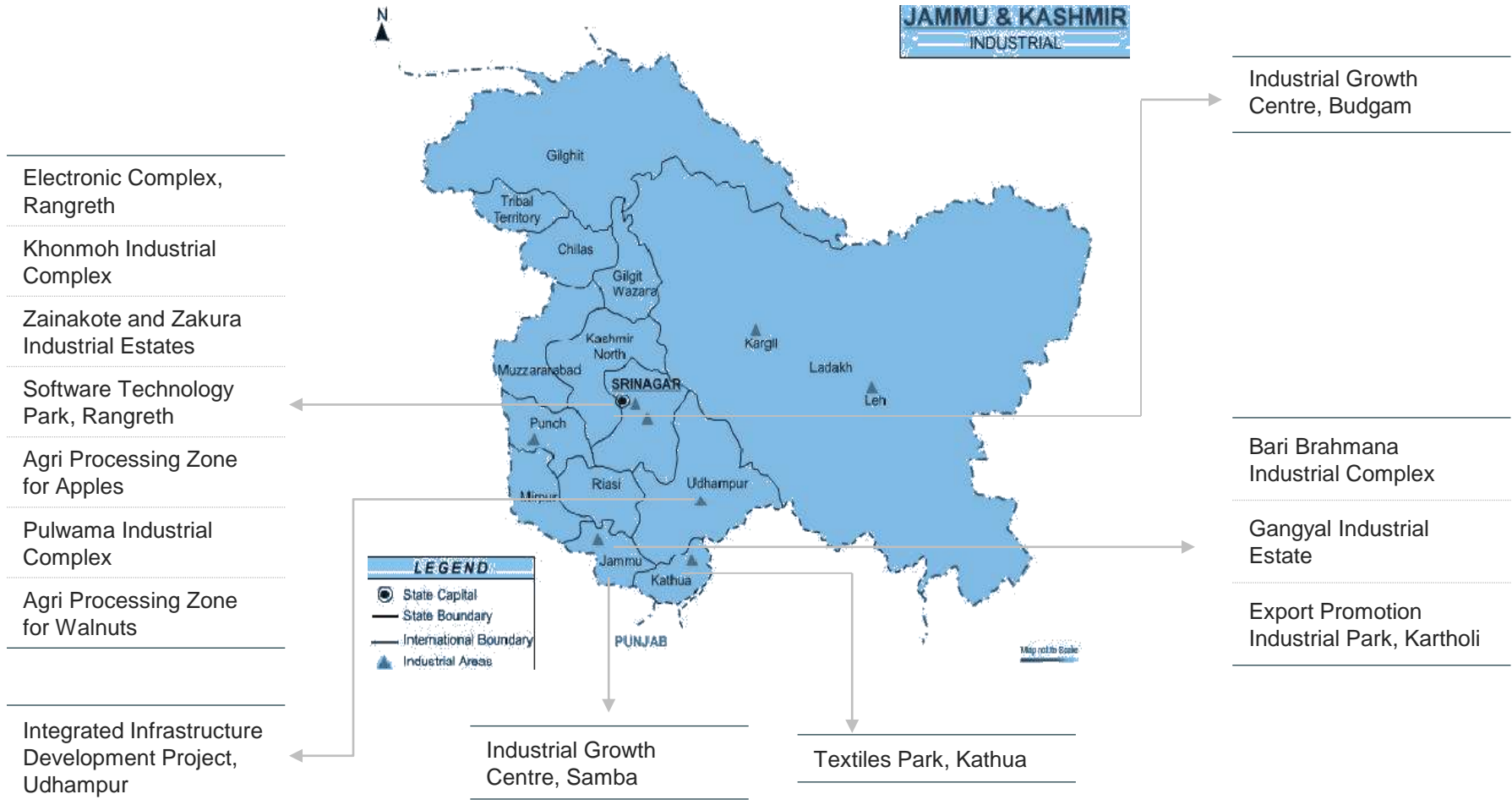
Note: * - Per thousand persons, ^ - Per thousand live births, ICDS - (Integrated Child Development Services), KSY – Kishore Shakti Yojana, MBP – Maternity Benefit Program

Source: NRHM, Economic Survey 2017-18, Sample Registration System (SRS) Bulletin September 2014, State Budget 2016-17, Economic Survey of J&K, 2014-15

INDUSTRIAL INFRASTRUCTURE



INDUSTRIAL INFRASTRUCTURE - INDUSTRIAL ESTATES



Source: J&K SIDCO State Industrial Development Corporation

KEY SECTORS

- Agriculture and Allied Activities
- Handicraft and Handloom
- Tourism
- Sericulture



KEY SECTORS – AGRICULTURE AND ALLIED ACTIVITIES... (1/2)

- Food processing & agro-based industries (excluding conventional grinding and extraction units) thrive in the state due to an excellent climate for horticulture & floriculture. Total production of horticulture crops in the state in 2018-19** stood at 3.96 million tonnes with 414.47 thousand hectares area under production.
- The Kashmir region is known for its horticulture industry. The industry plays a vital role in the state's economic development. In 2018-19**, total production of fruits in the state stood at around 2.56 million metric tonnes. The state is a leading producer of apples and walnuts; the total apple production, in 2017-18P, stood at around 1.74 million metric tonnes. During April-September 2019, the state exported fresh fruits worth US\$ 2.99 million.
- Wood from Kashmir willows is used to make cricket bats. Moreover, Kashmiri saffron is renowned globally and generates export revenues for the state.
- The State Government is promoting organic production of crops. It aims to minimise the use of fertilisers to Leh and Kargil districts so that all crops cultivated there are on organic lines. In FY19* production of rice, pulses and oilseeds reached 577,200 tonnes, 8,700 tonnes and 1,900 tonnes, respectively.

Crop	Annual production in 2018-19 ('000 tonnes)
Apple [^]	1,744.07
Rice [*]	577.2
Honey ^{**}	2.20
Wheat [*]	478.8
Spices ^{**}	1.19
Onion	77.84
Total pulses [*]	8.7
Total oilseeds [*]	1.9
Vegetable ^{**}	1337.12

Note: * - As per 1st Advance Estimates (Kharif only). ** - As per 3rd Advance Estimates, # - Production 2016-17, horticulture includes Fruits, Vegetables, Spices, Honey, Plantation, Aromatic and Flowers

Source: Economic Survey of J&K 2016, State Budget 2018-19 Department of Horticulture, Government of Jammu and Kashmir

KEY SECTORS – AGRICULTURE AND ALLIED ACTIVITIES... (2/2)



Krishi Rasayan Group

- Krishi Rasayan Group is involved in the basic manufacturing of formulations and export of agrochemicals.
- The company has a factory at Samba in Jammu.



Zamindara Rice & General Mills

- Zamindara Rice & General Mills was established in 1978 at Ranbir Singh Pura, Jammu.
- The company has been recognised over the years for supplying of high quality basmati rice to its customers in the state.



Sarveshwar Rice

- Sarveshwar Rice was founded by the late Shri Mulamal Ji in 1890 with Headquarters in Jammu.
- Product range includes the complete range of Indian traditional Basmati rice, 1121 Basmati Rice, Pusa Basmati Rice, Sharbati Rice, PR 11 rice, IR 8 rice, and so on

KEY SECTORS – HANDICRAFTS AND HANDLOOM... (1/2)

- Handicraft is J&K's traditional industry and occupies an important place in the economy of the state. Kashmiri silk carpets are famous globally and earn substantial foreign exchange. Wood from Kashmir, popularly known as Kashmir willow, is used to make high-quality cricket bats. The cottage handicrafts industry provides direct and gainful employment to around 340,000 artisans.
- The state has established the Jammu & Kashmir Handicrafts Sales & Export Promotion Corporation and Jammu and Kashmir State Handloom Development Corporation to promote development and growth of the handicraft sector. The handicrafts and handloom sectors have engaged a number of people as artisans and weavers. The total number of handicrafts and handloom establishments in the state are 60,397.

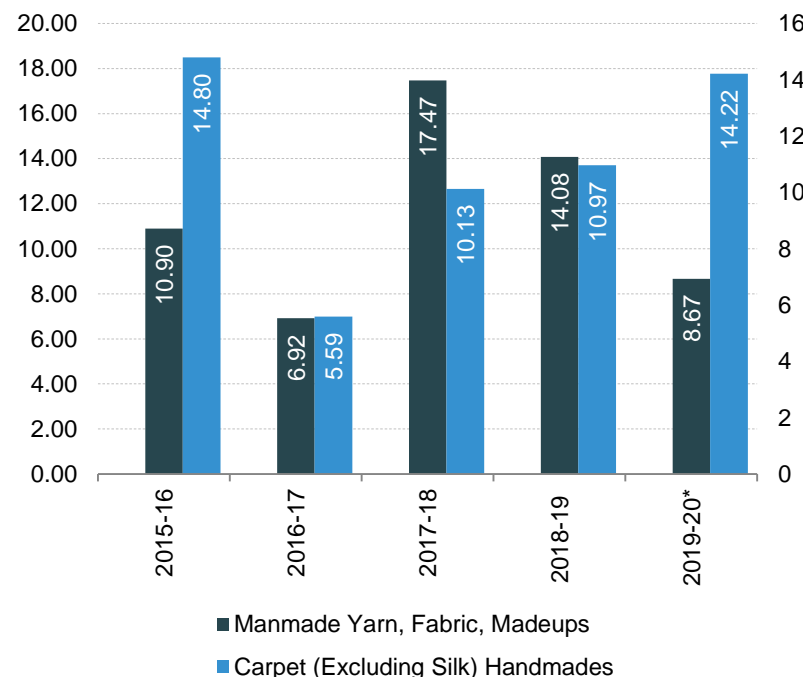
Fabric Production

Industries	2015-16	2016-17	2017-18 (up to Oct 17)
Amount of fabric produced (million meters)	10.95	13.911	9.498
Value (US\$ million)	38.38	48.78	33.30

Note: *- till September 2019

Source: Economic Survey of J&K, 2014-15, 2017-18, Ministry of Textiles

Exports from Jammu and Kashmir



- There are 523 registered handloom industrial cooperative societies in the state and have a membership of 15,275 weavers. During 2017-18(up to Oct 17), fabric production in the state reached 9.498 million meters, valued at US\$ 33.3 million.

KEY SECTORS – HANDICRAFTS AND HANDLOOM...

(2/2)

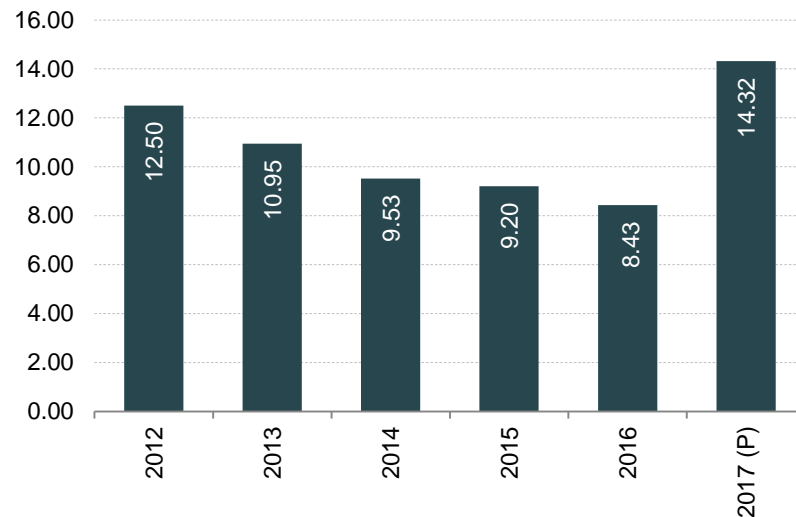


Sutlej Textiles and Industries Ltd

- Sutlej Textiles and Industries is a part of the K K Birla Group; the company entered the state when Chenab Textile Mills of J&K merged with Sutlej Textiles in 1997.
- Sutlej is an integrated company in the textiles industry. Its product range includes yarn, fabrics, home furnishing and garments.
- Chenab Textile Mills, a unit of Sutlej Textiles and Industries Ltd, is located in Kathua, J&K; it manufactures cotton yarn and man-made fibre yarn.
- The company has installed production capacity of 416,616 pieces for spindles and 62 home textile looms. In 2015, company acquired Birla Textile Mills. In 2014-15, Birla Textile Mills has installed capacity of 83,376 spindle.

- Jammu is famous for its temples, while the Kashmir Valley is known for its scenic beauty. The tourism sector in the state has a huge employment potential for skilled persons as well as for people without any specialised skills such as guides, sledgewallas, ponywallas, etc.
- Major tourist attractions include Chashma Shahi Springs, Shalimar Bagh and the Dal Lake in Srinagar; Gulmarg, Pahalgam and Sonamarg in the Kashmir Valley; and Ladakh, Vaishno Devi temple and Patnitop near Jammu. Ladakh festival in September and Sindhu Darshan in June are popular events in the state. The Department of Tourism of J&K has launched aero ballooning to boost the influx of tourists.
- In order to attract tourists, the government has developed new destinations such as the valleys of Dodhpathri, Lolaab & Gurez. The tourism board has also revived the heritage events in Kashmir & Leh-Ladakh, river rafting, light & sound show in Sonmarg, along with various new trekking trails to tap the beauty of 2,200 natural lakes, that remain unexplored by tourists.
- Total tourist arrivals to the state reached 14.32 million in 2017(P) out of which 14.24 million were domestic tourists and 79.77 thousand were foreign tourists.

Tourist Arrivals in Jammu & Kashmir (million)



Note: P – Provisional, Update to be expected in November 2019

Source: Ministry of Tourism, Economic Survey 2017-18

- Kashmir is well known for its quality of silk and traditional silk-weaving industry. Sericulture is an agro-based labour intensive cottage industry, providing gainful employment to about 30,000 families in rural areas of the state.
- J&K's Sericulture Development Department organises cocoon auction markets in the state to facilitate farmers to sell their cocoon produce at competitive rates. The state produces around 1,022 MT of cocoons, annually, which help in generating huge income for the state through silk production.
- The Department has envisaged an ambitious vision programme in the form of a document for the next twenty years to cover about 500,000 farmers in the activity of sericulture to take the cocoon production to newer heights of upto 25,000MT. As of October 2018, a silk unit is being set up in Jammu district, which is expected to start production by January 2019.
- About 150,000 metres of silk cloth is produced per annum in J&K. During 2018-19(P), 118 MT of raw silk was produced in the state and had a production target of 170 MT for 2019-20(T).

Raw Silk Production

Year	Production (MT)
2013-14	136
2014-15	138
2015-16	127
2016-17	145
2017-18(P)	132
2018-19(P)	118
2019-20(T)	170

Note: P – Provisional, T - Target, MT – Million Tonnes

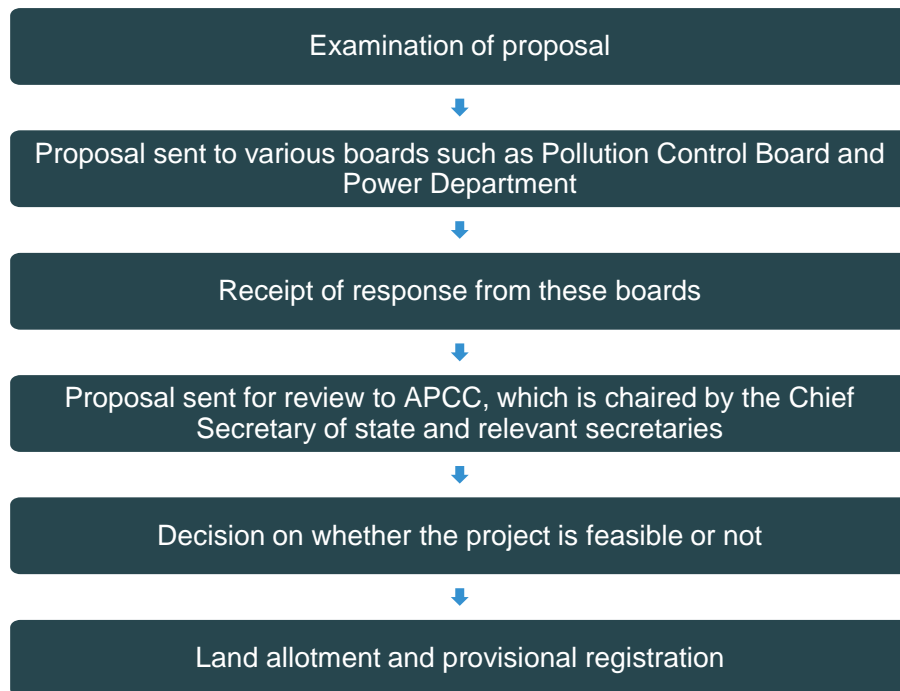
Source: Economic Survey of J&K, 2014-15, State Budget 2016-17, News Articles

KEY PROCEDURES & POLICIES



SINGLE-WINDOW CLEARANCE MECHANISM

- APCC, a high-power clearance committee, has been set up to rapidly clear projects under the chairmanship of the Chief Secretary of the State. The committee serves as a single-window clearance system for projects related to all cases of export-oriented units and prestigious units.



- The entire procedure is completed within a maximum time-frame of two months.

Note: APCC – Apex Projects Clearance Committee

KEY NODAL AGENCIES FOR SINGLE-WINDOW CLEARANCE

Agency	Description
Jammu & Kashmir State Industrial Development Corporation (Jammu and Kashmir SIDCO): State-level nodal agency for single-window clearance	<ul style="list-style-type: none"> Jammu and Kashmir SIDCO is the nodal agency for promotion and development of medium and large scale industries in the state. Established in 1967, its purpose is to act as a catalyst to inspire and accelerate industrial development. Since its inception, Jammu and Kashmir SIDCO has acted as a prime mover in the state for promotion of industrial ventures. It plays the role of 'institutional entrepreneur'. The corporation's activities include supporting modernisation, brand promotion, rehabilitation of sick units and export promotion. Jammu and Kashmir SIDCO acquires land, constructs internal roads and affluent disposal facilities, and provides for supply of water and power in the industrial estate. The corporation offers a variety of financial assistance programmes for setting up new units and for expansion, diversification and modernisation of existing units.
Directorate of Industries and Commerce: District-level committee for single-window clearance	<ul style="list-style-type: none"> The directorate provides sanctions and clearances to set up small scale industrial units in the state. The General Manager (GM) is the key nodal officer for sanctions.
Jammu and Kashmir Industrial and Technical Consultancy Organisation Limited (Jammu and Kashmir ITCO)	<ul style="list-style-type: none"> Set up in April 1997 as a subsidiary of Industrial Development Bank of India. Primary objective is to provide consultancy services to existing and potential micro, small and medium scale industrial units.
Jammu and Kashmir State Financial Corporation (JKSFC)	<ul style="list-style-type: none"> Established to act as a regional development bank with the aim of promoting industries and boosting economic development in the state. Offers term finance to existing units for their expansion, diversification, renovation, modernisation and procurement of quality control equipment and energy saving devices.
Micro, Small and Medium Enterprises (MSME) – Development Institute, Jammu/Srinagar	<ul style="list-style-type: none"> Formerly known as Small Industries Service Institute, it provides a comprehensive range of industrial extension services, including identification of suitable line of production and marketing of the product.

Agency	Contact information
Jammu & Kashmir State Industrial Development Corporation (Jammu and Kashmir SIDCO)	<p>Drabu House, Rambagh, Srinagar - 190 015.</p> <p>Phone: 91-194-2430 036, 2434 402</p> <p>Fax: 91-194-2430 036</p> <p>Email: info@jksidco.org</p> <p>Website: http://www.jksidco.org/</p>
Jammu and Kashmir State Financial Corporation (JKSFC)	<p>Sheikh-ul-Alam Complex, Near Govt. Silk Factory, SPO Rajbagh, Srinagar, J&K, 190008</p> <p>Phone: 91-194-2310567, Fax: 0194-2312672</p> <p>Website: http://jksfc.nic.in</p>
Micro, Small and Medium Enterprises (MSME) – Development Institute, Jammu/Srinagar	<p>Industrial Estate, Digiana, Jammu - 180 010 (Jammu and Kashmir)</p> <p>Phone: 91-191-2431077, 2435425</p> <p>Fax: 91-191-2431077</p> <p>E-mail: dcdi-jammu@dcmsme.gov.in</p> <p>Website: www.msmedijammu.gov.in</p>

COST OF DOING BUSINESS IN JAMMU & KASHMIR

Cost parameter	Cost estimate	Source
Hotel costs (per room per night)	US\$ 15-200	Leading hotels in the state
Office space rent (per sq ft per month)	US\$ 0.4-2.0	Industry sources
Residential rent (2,000 sq ft house)	US\$ 200-700 per month	Industry sources
Power cost (per kWh)	Commercial: US\$ 0.05-0.086 Industrial: US\$ 0.05-0.06	Jammu and Kashmir State Electricity Regulatory Commission
Labor costs	US\$ 6.3-9.3	Labour Bureau, Government of India, April 2015

Objectives

New Industrial Policy, 2016

- To attract large investments and generate high employment opportunities in the state for the production of goods as well as services.
- To ensure the upliftment of the weavers, artisans as well as traders across the handloom and handicrafts sector.

[Read more](#)

New "Contractual" Recruitment Policy, 2015

- Formulated to make appointments against gazetted and non-gazetted vacancies on contractual basis.

[Read more](#)

Incentives for Development Large/Medium/Small Scale and Tiny Sector Industries

- To catalyse the industrial development in Jammu & Kashmir, the state government has sanctioned incentives for the development of large/medium/small and tiny industries in the industrially backward areas of the state.

[Read more](#)

Group Janta Personal Accidental Insurance Policy, 2015

- Securing a policy for its employees to cover accidental deaths and disabilities under the scheme.

[Read more](#)

Objectives

Solar Power Policy for Jammu and Kashmir 2013

- To promote the generation of green and clean power in the state using solar energy.
- To create environmental consciousness among citizens.

[Read more](#)

Skill Development Policy 2012–17

- To engage private players through initiatives such as 'Udaan' and 'Himayat'.
- To move from a state owned institutional framework to a larger non-Governmental effort.
- To triple the existing training facilities.

[Read more](#)

Securitisation and Reconstruction of Financial Assets and Enforcement of Securities (SARFAESI) Act

- The Act aims to help banks in debt recovery, which would increase the credit-deposit ratio of banks.

[Read more](#)

Policy for Development of Small Hydro Energy for Power Generation

- To introduce investment-friendly incentives, attract private sector interest in the hydel projects, devise measures to support the private sector in mobilizing financing and facilitate the establishment of a domestic manufacturing base for small hydel technology in the state.

[Read more](#)

Objectives

The Jammu and Kashmir State Forest Policy 2011

- To conserve forest resources for the ecosystem.
- To meet the population's need for forest produce.
- To alleviate poverty through developmental activities.

[Read more](#)

Jammu and Kashmir Water Resource Regularisation & Management Act 2010

- To ensure judicious and optimum utilisation of the state's water resources.
- To advance reforms in the water sector.

[Read more](#)

Sher-e-Kashmir Employment & Welfare Programme for the Youth 2009

- To address issues related to unemployment among the state's educated youth.

[Read more](#)

Jammu & Kashmir IT Policy 2004

- To bring SMART governance in the state by using IT in the Government processes.
- To increase the use of IT in all sectors and make it a sunrise industry.
- To encourage and accelerate investments and growth in IT hardware, software, internet, training, IT-enabled services, telecom, e-commerce and related sectors in the state.

[Read more](#)

ANNEXURE



ANNEXURE...(1/2)- SOURCES

Data	Sources
GSDP (state)	Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office
Per capita GSDP figures	Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office
GSDP (India)	Directorate of Economics & Statistics of Jammu & Kashmir, Central Statistics Office
Installed power capacity (MW)	Central Electricity Authority
Wireless subscribers (No)	Telecom Regulatory Authority of India
Internet subscribers (Mn)	Telecom Regulatory Authority of India
National highway length (km)	NHAI & Roads and Building Department
Airports (No)	Airports Authority of India
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin, September 2017
Cumulative FDI equity inflows (US\$ billion)	Department for Promotion of Industry and Internal Trade, April 2000 to June 2019
Operational PPP projects (No)	DEA, Ministry of Finance, Government of India

ANNEXURE...(2/2) - EXCHANGE RATES

Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36

Source: Reserve Bank of India, Average for the year

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